

PROPOSALS
FOR
PRACTICAL REFORM
AND A
FIRST
Social Reform Budget.

PRINTED BY F. T. ATKINS, AT THE RAILWAY SERVICE PRESS :
ALLAHABAD.

1884

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PROPOSALS FOR

Practical Reform

AND A

FIRST SOCIAL REFORM BUDGET.

"~~When~~ the object is to raise the permanent condition of a people, small means do not merely produce small effects,—they produce no effect at all. Unless comfort can be made as habitual to a whole generation as indigence is now, nothing is accomplished ; and feeble half measures do but fritter away resources, far better reserved until the improvement of public opinion and of education shall raise up politicians who will not think that merely because a scheme promises much, the part of statesmanship is to have nothing to do with it."

—J. S. MILL

"Among practical men the idea prevails that Government can do nothing but 'keep the peace.' They say all higher tasks are unsafe for it, impossible for it,—and in fine, not necessary for it, or for us.

"Truly it is high time that same beautiful notion of No Government should take itself away."—CARLYLE—*The New Downing Street.*

ALLAHABAD.

PREFACE.

THE Programme here submitted was written in 1880, before the following question had been put in the effective form it is now about to take:—

“What are the best means, consistent with equity and justice, for bringing about a more equal division of the accumulated wealth of the country, and a more equal division of the daily products of industry between capital and labor, so that it may become possible for all to enjoy a fair share of material comfort and intellectual culture, possible for all to lead a dignified life, and less difficult for all to lead a good life?”

The same question had occupied my spare time and my best thoughts for years, and I had arrived at the conclusion that the solution of this,—the great problem of our age, could be attained at the small cost of a war rate of income tax and a moderate increase of the taxes on inheritance.

My qualifications for the task I had undertaken were different from those of the many others who have attempted it. Born poor, and long subject to the evils of poverty, I had risen to a position in which I had for many years had daily experience of the accounts of a great Government, and of its Budget system and finance. This experience has, I believe, not been possessed by any former writer on the subject,—and as that subject is essentially one of finance, I may fairly claim to have brought to its consideration some special knowledge. I have also had for a number of years a prominent share in the management of an important institution of Life Assurance.

I have considered the many plans for direct division of profits between labor and capital, and have not found in any of them the elements of permanent success. But I believe I have found those elements in arrangements which, at a surprisingly low cost to the holders of wealth, would secure—

- I.—That every man and woman shall, if he or she reach old age, have the later years of life secured against want, without sacrifice of independence or self-respect.
- II.—That provision be made for the sick and disabled of both sexes—that instead of having only the precarious and dear-bought aid of the trades-union or benefit society, open only to those who have been able to make sacrifices for it, the sick and disabled shall be supported, without the degradation of pauperism.
- III.—That medicines, and medical and surgical aid, shall be free to all; that bodily pain shall not be unrelieved because the sufferer is poor, adding one evil to another.
- IV.—That able-bodied pauperism be extinguished by opening State employ (in labor increasing the national resources), under rates and conditions less attractive but not less honorable than those offered by ordinary employers, to all who cannot obtain ordinary employ. And that the ways and means of ensuring such employment may be found without damage to any existing industry or interest.

The following pages show by what means it is proposed that these and other objects shall be attained. I propose to *make use* of existing economical forces, such as Capital, Interest, and Insurance, instead of vainly opposing them as would-be reformers have opposed some of them in the past.

The figures given are based on facts of some years back. But as they *are* based on facts, they *prove* the practicability of this Programme as conclusively as if they were the latest. I have not had time to reconstruct them on the basis of later facts, which, however, show nothing unfavorable to the Programme, but are probably more favorable, the "long annuities" (which I have relied on as one resource) being now of greater amount.

W. PALMER.

ALLAHABAD, INDIA:
NOVEMBER, 1884.

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CHAPTER I.

PENSIONS FOR THE AGED.

1. Every soldier or navy sailor, and every civil servant of the State, is, under Acts of Parliament, entitled to a retiring pension after a certain number of years of service. This pension is paid by the nation collectively, in money raised by taxation.

2. Every man or woman who, being too old to earn a livelihood, will stoop to declare himself or herself a pauper, is provided with board and lodging at the expense of the parish or union of parishes to which, often after expensive litigation, he or she is found chargeable by law. The cost of this is paid collectively by the parish or union of parishes, in money raised by local taxation.

3. This provision for the old age of State servants and of paupers is generally recognized as a duty of the State.

4. A small number of aged persons are provided for, in almshouses or otherwise, at the expense of benevolent individuals, or of charitable societies or endowments. This benefits but few, and is done at the expense of a few who are, in this at least, exceptionally good. The cost is therefore a tax upon goodness. The bad and indifferent escape it. But the bad and indifferent do not escape their share of the cost of provision for State servants and paupers.

5. Another small number of aged persons possess property or annuities. In the case of some, this is the result of their own savings. These are fortunate—they have escaped the evils and emergencies which have absorbed the savings of many of their neighbours. Others, more fortunate still, have inherited property sufficient to enable them, without having saved their own earnings, to enjoy comfort and independence in their latter years.

6. But the great majority of old men and women are not provided for, either as State pensioners, dependents on private charity, or possessors of income. They may or may not have been improvident, but they have generally not had the means to be provident, and they have reached old age without resources. These have to work on as best they can, though past the age for it; to depend on relatives who can generally ill afford to keep them; to starve, beg, borrow, steal, or sink into pauperism.

7. Not only are the greater portion of the aged thus miserable. The expectation of a miserable old age hangs heavily over *all* who have not sufficient property to save them from it. Even those who are able to pay instalments for an annuity do not escape this fear until their last instalments are fully paid. And this applies not only to manual laborers, but also to all members of the professional and salaried classes who do not possess property sufficient to ensure an old age of comfort.

8. Let us arrange these facts. The maintenance of the old is paid for by—

Society	...	{	The State.
		{	The parish or union of parishes.
Willing sacrifice	...	{	The benevolent, for others.
		{	The provident, for themselves.
Forced sacrifice	...	{	The relatives of the aged.
		{	The creditors of the aged.
		{	The inefficient labor of the aged.

The possessors of inherited property, for themselves.

The first two of these distribute a portion of the burden fairly over the whole community, and offer no premium to the uncharitable. Why are they not general in their application?

9. The State has advantages over the private employer of labor, for it does not risk its existence as a State by being just to those who serve it. A private employer is often in such a position that, even if willing to provide for those who have grown old in his service, he cannot continuously do so without risking his existence as an employer. The competition among employers is too great to admit of any of them acting as the State does in this matter, unless they all do so alike; moreover, it would only be the successful employer who *could* do it, and the servants of the unsuccessful employer would, for no fault of their own, be deprived of the advantage. And few remain all their time under the same employer.

10. How can the benefits secured to servants of the State be made available to all?

11. By applying the principle of assurance.

Yes—but how? Assurance requires regular payments punctually made. The working man in full employ can sometimes spare enough for the purpose—but what if he falls sick or is disabled? Assure for *sick* pay also? Yes—but again, how? The fund could not be large enough unless the subscriptions were higher than the poorer classes could pay. A few exceptionally careful workmen, fortunate in retention of continuous employ, *do* provide for themselves, but it is hopeless to expect this generally, unless wages rise to a much higher average. And compulsory assurance must remain out of the question, for it would be equivalent to a general reduction of wages which, on an average, are insufficient.

12. But can we properly make pauperism general by giving poor law relief to all the aged without exception? No, but we can *abolish* pauperism as regards the aged, by giving them (as a *right*, not as a charity or a favor,) not poor law relief, but a *pension* on attaining a certain age. To ensure this pension being regarded as a right, it must be given to *all*, to Baron de Rothschild if he claims it, as well as to the poorest in the land, and on the same conditions. The recipients of State pensions are never considered as degraded in receiving them: this is because State pensions are looked on as a right and are received by members of all classes.

13. The advocates of direct taxation have proved that indirect taxation (described as customs and excise) on articles of food and drink, is paid chiefly and disproportionately by the poorer classes. They propose to abolish such taxes, and to raise by direct taxes on capital or income all money required for expenses of Government.

14. Could we not adopt part of this theory, and raise more of the cost of Government by direct taxation; but instead of abolishing the indirect taxes, devote to purposes of assurance, for superannuation pensions, a portion of them equal in amount to the new direct taxation?

15. Estimating the population of Great Britain and Ireland at 34 millions, we have to ascertain the probable number who have attained the age of 65. From page 13 of the Statistical Society's Journal for February 1843, it appears that 443 in 10,000 of the population had been found to have reached that age. Assuming the same proportion, we find a probable number of 1,506,200 (male and female), to have reached that age in a population of 34 millions. The number is startling, but we must face our difficulties and not be frightened by them.

16. To allow a pension of 1s. a day to each person, we should require £27,864,700 a year, which would absorb nearly the whole proceeds of an income-tax of 1s. 2d. in the pound, estimating that each penny in the pound of income-tax will, by the time this change can be made, bring in not less than £2,000,000. To allow 6s. a week to each person, we should require one-seventh less, or £23,884,029. An addition of 1s. in the pound to the income-tax would be sufficient to pay expenses and give 6s. a week to each; but the additional income-tax we actually propose is £21,835,692.

17. Is it Utopian to suppose that the richest country in the world can afford this? A higher income-tax than this would cause has been borne repeatedly by this country in time of war: 2s. in the pound was the rate paid during many years of the great wars before Waterloo; 1s. 2d. and 1s. 4d. in the pound were borne during the Crimean War. Is it too much to expect that the monied classes should make, for a grand social benefit, a sacrifice less than they have before made for war? The normal peace rate of income-tax from 1843 to 1858 was 7d. in the pound. The rate they would have to pay to assure superannuation pensions for the whole population (themselves included) would be 1s. in the pound—in addition to about 2d. in the pound, which has of late years been about the normal peace rate.

18. In proof that the wealth of England can bear this, we quote the following from *Political Problems*, by W. R. Greg, 1870,—page 293:—

“The burden of State taxation, i. e., the taxes as compared with the wealth of the community—has, contrary to a common allegation, been progressively alleviated. Thus the percentage of the property of the country contributed to the revenue was—

1803	...	2.07 per cent.	1845	...	1.18 per cent.
1814	...	2.49 „	1858	...	1.034 „

and it is probably now under one per cent.”

Chapter I.—Pensions for the Aged.

19. But what is wanted is the money. It need not necessarily all be obtained by income-tax. For instance, it might be found possible that all charitable endowments be brought into the national possession, and administered as national estates, subject to certain claims in reasonable accord with the wishes of the founders. We believe that by doing this it would be possible, without diminishing the real good done by the endowments, to effect a saving of a million and-a-half a year of their funds. Strong reasons for this will be found in Mr. Gladstone's speech of 4th May, 1863; and Mr. Gladstone has shown that at least a quarter of a million would be gained by merely subjecting the property of charities to ordinary taxation. He gives clear proofs that many of these charities are useless, mischievous or even scandalous, and that all are wasteful. (A heavy tax on all charitable endowments not administered by the State may ultimately turn future bequests into the National fund.—*Westminster Review*, January 1875, Article—*Charity, Pauperism and Self-Help*.)

20. Another resource is an increase of the Inhabited House Duty. In Mr. Greg's *Essay on the Principles of Taxation*, published in 1853, he writes,—

“A ten per cent. house-tax would yield a large, steady and unobnoxious revenue, and possesses besides, this vast supplementary merit, that the rate might be raised or lowered according to the yearly necessities of the exchequer.”

A ten per cent. house-tax on the houses &c. assessed to the present tax would yield 5 $\frac{1}{4}$ millions. Such a tax might very fitly take the place of the income-tax on the *smaller* incomes.

21. But it would not be necessary to wait to discuss all possibilities before commencing operations. The income-tax is ready to the reformer's hands, and he could, to begin with, raise it to a war rate. In subsequent years he could reduce it, as he discovered other resources to replace the amount reduced.

22. The proper course would be to apply to the purpose we have in view £24,000,000 of the indirect taxes paid chiefly by the poorer classes (say the taxes on spirits and licenses). This would leave a deficit of that amount in the Budget for ordinary expenses of Government, and that deficit would be met by the proposed additional direct taxation.

23. Once commenced, this (direct) taxation would, year by year, become less weighty with the increase of taxable income, and with any reductions (surely possible) in military or naval charges. And the usual growth in yield of the indirect taxes would cover the cost of pensions for any increase in the numbers of the aged.

24. What would be the results of this pension scheme? The exertions of the benevolent and provident could be wholly devoted to improvement of the position of those not too old to work. The inefficient but cheap labor of the aged would, for the most part, be withdrawn from the labor market, thereby improving the relations between demand and supply of labor and its average efficiency. The relatives of the aged, relieved of the burden of their support, would enjoy equal comfort with those who now, by the accident of having no aged relatives, have an unearned advantage over them. The improvident and

reckless would no longer have an advantage over the self-respecting, in accepting relief the self-respecting could not claim ; and the selfish would lose ■ advantage over the unselfish, ■ both would be made to contribute equally, in proportion to income, for extinction of misery that is now only slightly relieved by the unselfish only.

CHAPTER II.

NATIONAL SAVINGS, AND THEIR RESULTS.

25. Every man is entitled to the full possession of his own earnings. It follows necessarily that the present generation is entitled to all the wealth it has earned. But the generation inherits, unearned by itself, all the wealth created by all past generations of men, and all the natural wealth of the earth, the air, and the waters. And it has a right to all this wealth which it did not earn, for there is no other generation alive to claim it.

26. No appreciable portion of the inherited wealth of the British Empire belongs to the nation collectively—but all to individuals, and nearly all to a small minority. A few begin life with immense advantages, and all others begin it without recognized claim to any of the wealth inherited from past generations. This is because the laws of inheritance recognize the claim of the family, but not that of the nation.

27. There are nations which possess State property, by means of which they diminish their taxation. Foremost among these is Prussia, which obtains already nearly half her State revenue from national property and investments. Those investments yield a largely increasing income, and will in a few years enable Prussia to pay off her national debt. Is it not possible that in Finance, as well as in War, Prussia has set an example to us and to the world? Is it not possible for ■ to have national property too?

28. Compound interest and profits are the forces which have built up the empire of private Capital. Those forces are natural and cannot be destroyed, but they can be *used for* the poorer classes as well as against them. The State must, on behalf of the whole population, *acquire* property and make profits, which it can invest at compound interest for the benefit of each generation.

29. If any one man could live for hundreds of years, he might, by simply investing in his youth a single shilling at compound interest, and waiting patiently for the result, absorb all the wealth of a nation. There is no such one man, but the State never dies, and the State represents the nation.

Chapter 2.—National Savings, and their Results.

30. The State could, by making and investing savings, acquire, with time and patience, an immense national property. But the State represents individuals, whose lives and patience are limited. Any system of State investment must, to have any prospect of continuance, assure great advantages to each generation.

31. There are taxes on inheritance. They are the fairest of all taxes, for they never take from any one his own earnings, but only take toll, ■ it

* After Emile de Laveleye
(*Primitive Property*—Macmillan, 1878—page 321.)

were, on the passage of wealth from generation to generation. We propose* that the amount of these taxes shall be considered as national savings and appropriated to the acquisition of land by the State, an Act being passed to facilitate the acquisition of land for public purposes at a fair valuation. The income from such land being regularly applied to the purchase of more land, and the produce of inheritance taxes being, year by year, or rather day by day, applied to further purchases of land, the national savings invested in land would accumulate at compound interest. But, to enable each generation to reap the profits of its savings, we propose that, after 25 years, the income from the national lands purchased during that period be made available for the immediate and future benefit of the nation. This being done, the process of investment in land at compound interest would commence again, and be continued for another 25 years for the benefit of the next generation, and so on.

32. Land which has once become the property of the nation must be made inalienable by law.

33. The present light taxes on inheritance produced in 1877-78 £6,260,553, but land and "real property" are more or less exempt from probate duty, and the largest inheritances are unduly spared. We quote the following from an essay on the *Principles of Taxation*, by that safe and anti-Revolutionary authority, Mr. W. Rathbone Greg, published in 1853. After describing the "gross and flagrant" partiality of the inheritance taxes of that time (most of which partiality still remains) he writes :

"These monstrous injustices have led to ■ feeling of hostility to ■ tax which, when fairly imposed and levied, is ■ of the most equitable and least burdensome that can be devised. In judging the principle of a legacy duty, we must consider it not in the imperfect and objectionable form which it may have assumed under the sinister operation of class interests, but in the form it would assume in the hands of just legislators. Now, if the probate and administrative duties were repealed, and the legacy duty imposed upon *all* property passing by inheritance, at a rate varying ■ at present, according to the degree of relationship, from 1 to 10 per cent., we do not ■ any tax to which so few objections could apply. It is little liable to evasion by donation *inter vivos*, and ■ slight alteration of the law might still further diminish this liability; it affords scarcely any opening to fraud, because the legal formalities necessary in the due performance of the duties of ■ executor would give ample means of ascertaining the amounts bequeathed or inherited; it fulfils admirably Adam Smith's third requisite of ■ good tax (that it should be levied at the time when it is most convenient for the individual to pay it), inasmuch ■ it is demanded from him at the very moment when he is receiving ■ considerable accession of property; and, finally, it is paid with less irritation and reluctance than

Chapter 2.—National Savings, and their Results. 7

any other fiscal burden, because it is called for when the accession of property has improved his circumstances, and may be supposed to have put him in good humour. Moreover, there is a special equity in the tax on a separate ground. It may be regarded as an equivalent paid for the protection of the law under circumstances when an individual is disabled from protecting himself. A man's power over his property naturally ceases with his life; without the intervention of the State he could not secure its reversion to those whom he desired to endow. The State, however, steps in, and says to him, "We will carry out your posthumous wishes with regard to the disposal of your estate when you are helpless and departed, on condition of a moderate and reasonable fee." Thus he pays the ordinary taxes to purchase protection during his lifetime: he pays the legacy duty to purchase a posthumous power over his property,—a power which only an executor like the State can bestow. If there be no property to bequeath, there is no tax paid.

"Mr. Mill's estimate of the justice and incidental merits of this tax is so high that he would carry it much further than many will feel prepared to go along with him. He conceives that 'the principle of graduation (as it is called), that is, of levying a larger percentage on a larger sum, though its application to general taxation would be a violation of first principles, is quite unobjectionable as applied to legacy and inheritance duties.' He would, moreover, limit the power of bequest to a fixed amount, making the State residuary legatee in all cases where the property left exceeded this amount to each recipient; and he would make collateral inheritances *ab intestato* cease altogether, and the property escheat to the State. The arguments by which he defends these proposals have, we confess, failed to satisfy us altogether of their wisdom, but they are well worthy of consideration."

34. Thus far Mr. Greg. We do not quote Mr. Mill, because he is looked on as an extreme advocate on this subject. But read the following from the *Pall Mall Gazette* of 26th April, 1871:

"A man's wife and children are generally dependent on him, and are consequently the poorer, and not seldom much the poorer for his death, which is practically the same thing as their succession to his property. But it hardly ever occurs that a man supports his brother and cousins. If the Chancellor of the Exchequer had made up his mind to reform the succession duties on intelligible principles—on principles, that is to say, which are intelligible because they tally with the realities of English life—"he would probably have turned his attention to the comparative claims of the State and the present recipient to property devolving under the more distant successions. Few arguments of Mr. Mill seem to us to have more force than those by which he attempts to establish the slenderness of the claim of distant relatives to succeed. It could scarcely have been expected that Mr. Lowe should go the full length of Mr. Mill. But a considerable increase in the duty on all successions, except those of the members of the family who ordinarily depend on one another in England and commonly live together, might have been rationally justified, and would have had the merit of correspondence with social facts."

Read also this extract from *De la misère des classes labourieuses en Angleterre et en France*, by Eugene Buret—

A man is not only the child of his family; he is also, and above all, the child of the society in the midst of which he was born, the child of his people,

■ Chapter 2.—National Savings, and their Results.

who have paid with their blood for the soil which each proprietor possesses, to guarantee its enjoyment to him and to associate him to all the advantages of civilization, which are not the work of him who profits by them, but of all, of the whole of the people. With these titles, has not society, in each inheritance, its right of succession? Is it exaggerating this right to value it at the share of one child in successions which exceed a certain amount? This restoration of a part of the funds of production, operated by society, would constitute the premium of encouragement accorded to labor, and would re-establish the equilibrium between supply and demand.

Here is another principle to justify our proposal, which, more moderate than that of Buret, would make but a small addition to the taxes on inheritance.

35. The increase of inheritance taxation (to 2 per cent.) on amounts inherited by wives and children, proposed by Mr. Lowe in 1871, might fairly be adopted. Brothers, first cousins, and other near relations should pay 10 per cent, and distant relations or legatees not related should pay at least 25 per cent. If these changes did not produce sufficient, some of Mr. Mill's further proposals on the subject might be adopted. But it is desirable that inheritances of wives and children should be exempt from the tax, unless the total amount left to the family exceeds £1,000. The exemptions or exceptions in favor of "real property" should cease, and the higher amounts should cease to pay a lower percentage than the lower ones.

36. We estimate that by these changes the inheritance taxes will be so increased that they will produce three times as much as in 1877-78, or a total of £18,782,659. Adding to this £403,730, the net income from Crown lands in 1877-78, there is a total of £19,186,389, which we propose to invest annually for the benefit of the nation.

37. To do this, however, we require to replace, for ordinary expenditure, the present revenue from inheritance taxes and Crown lands, a total of £6,312,206. The greater portion of this could easily have been provided in 1885, by appropriating to the purpose £4,714,381, "long annuities" terminable in that year, if it had not been converted into a larger amount of terminable annuities, which will cease at a later date and then make a larger amount available (*this sentence has been re-written to meet present circumstances*). The difference, £1,597,825, could be met partly by a special tax on unearned increments of ground rent and on unearned houses or other property "falling in" on expiration of leases * ; and partly by retrenchments in ordinary expenditure; and will probably admit of some reduction by growth in the yield of taxes not affected by these proposals.

38. £19,186,389 in each year, invested as soon as received, would in 25 years produce, at $3\frac{1}{2}$ per cent. interest, a capital of £760,352,558, yielding, at $3\frac{1}{2}$ per cent., an annual income of £26,612,337. The rate of $3\frac{1}{2}$ per cent. is taken, as it is believed to be easily realizable under the arrangements proposed in Chapter V.

Chapter 2.—National Savings, and their Results. ■

39. It is proposed that at the end of the first 25 years, this large amount shall be disposed of as follows—

To provide sick pay for all sick or disabled persons between the ages of 13 and 65, at the rate of 1s. a day for all over 20 years of age, and 9d. a day for those from 13 to 20.—(see Chapter III). ... 18,628,720

Free medical and surgical aid, and medicines, to all who require them, and free burial of the dead.—(see Chapter IV.) ... 7,983,617

26,612,337

After this, there would be no more starvation, neglect or degradation of the sick, aged or disabled.

40. And after each 25 years in succession, some large instalment of general benefit would be realized. The wealth of the nation would, in an increasing share for each generation, become more and more common property. In the words of Bastiat, the "domain of gratuitous utility" would be extended. It would rest with each generation to decide what should be done, but the following uses for the new income are suggested as possible, and perhaps preferable if circumstances do not greatly alter :—

To raise the amount of pensions to the aged (see para. 16) from 6s. a week to 1s. a day.

Abolition of all customs and excise taxes, except those on alcoholic liquors.

Abolition of all stamp duties, except those on inheritance.

Free law and justice ; a sufficient number of advocates, &c. to be salaried by the State and not paid by the individual.

Abolition of the remaining customs and excise taxes.

Reduction and ultimate abolition of the income tax.

Abolition of the inhabited house duty.

Reduction and ultimate abolition of local taxation.

Pensions for the aged from the age of 55 or 60, instead of 65.

Free and improved education to all.

Beyond this last we need not look forward. But though these may to many seem to be dreams, they are arithmetically possible, and require only time, persistency and patience for their realization.

41. But, it may be said—what is to be done with the national savings after the land is all bought up? If those who can obtain access to a book called "*The Land Question*," by John Macdonell (Macmillan, 1873), will read the third chapter of it, they will see. Briefly, it may be said, that the nation would gradually absorb all natural monopolies, and then buy up and cancel the national debt. The following are extracts from Macdonell's third chapter :—

Chapter 2.—National Savings, and their Results.

■ Monopolies they indeed all are ; but some, if not all of them, ~~are~~ natural, spontaneous and inevitable. They may be used well or ill, but monopolies they will remain. They do not arise out of the mandate of Parliament ; and I may speak of them ~~as~~ natural monopolies. One class of them, such as land and mines, are monopolies, because they, like other natural agents of production, are limited. They yield rent in the economist's meaning of the term. Another class are less rigorously of the nature of monopolies. It ~~is~~ theoretically possible that the tariffs of docks, canals, railways, the post office, and the telegraph service, and the rates of gas and water companies, should be regulated by the fiercest competition. For a time that is sometimes the case. But, in the long run, the fact is not so. 'Where combination is possible,' said George Stephenson, 'competition is impossible ;' and in conformity to this principle, railway companies amalgamate, or 'divide the monopoly' ; canals fall into the hands of railways ; and gas companies, ceasing to lay rival parallel mains, give up fighting, and confine themselves, ~~as~~ in London, to different districts. Forbid open amalgamation, and sooner or later, there will be secret evasions in the form of clandestine agreements to impose equal rates. By-and-by the customer will discover that he has not to deal with two vendors. Such is the second class of monopolies. I take as the type of the third class, the issue of bank notes. It is generally believed, rightly or wrongly, that the emission of notes, if their convertibility ~~is~~ to be insured, ought not to be left to the discretion of private persons. It is the common notion that both the paper and the metallic currency should be under the control of the State. Notes payable on demand are, therefore, usually not left to the free action of supply and demand. In this, as in one and all of these monopolies, we see the appearance of abnormal profits, and the existence of what may be called rent."

"It is no paradox to affirm that the maintenance of the State should be provided, as far as may be, out of those funds which nature herself seems to have appropriated to public purposes, arising as they do out of common or public exertions."

"The fiscal system of England, far from being the best in existence, as is fondly assumed by those who know no other, is in reality one of the worst. Most other States have kept hold of some of these natural monopolies. Prussia draws not a little from monopolies. At the end of this century France will be heir to railway property more than sufficient to cover the German indemnity. So far she has been wiser than we. In Belgium M. Rogier had the courage and wisdom to do with respect to railways what Sir Robert Peel and Mr. Gladstone failed to do. In Germany and France the canals are in the hands of the Government. India annually raises some sixteen millions by the State being the landowner." "It is we in particular, who have suffered these primary resources to slip through our fingers."

"And, granting the above theory to be true, does there not arise ~~a~~ conception of a beautiful, simple, and useful law, providing for the expenditure of the State, without the aid of statesmen's ingenuity, and with all the certainty of a physical law ? We recognize the possibility of the normal revenue constantly keeping pace with the normal expenditure, by the simultaneous movements in both the social wants and the social resources and means."

"We see, then, the possibility of government, local and imperial, without taxation. To no transcendental motives does the project appeal. It demands no miraculous draught of administrative talents or public virtues. It is simple and intelligible. It is nothing but giving the body politic the blood which it has secreted. And even those who say that the principle is ~~a~~ barren theory, or that we invoke it too late to apply it, will own that it is in unison with much

that goes on around us—with the growing disbelief in *laissez faire* ■ sterilely taught of old, the taking over ■ many branches of industry by the State, the perplexity, strikingly revealed in the report of more than one committee, of how to regulate railways without owning them, the growth of companies of almost State dimensions, and the necessity of investing them with State privileges. Those, too, will admit that revenue reform would become clear, that all scrappy suggestions would be welded into one principle which ■ child might understand, and that the march of the financier would be certain, if not easy, were there truth and value in this principle, the departure from which has perhaps been not the least of unrecorded errors. I know how far out of the path we and others have strayed, how hard it is to hark back, and how easy it is to speak in three words that which generations of strong minds will not accomplish. We have been putting hills and seas between ■ and this principle. Not in our time, perhaps never, will they be wholly cast down and utterly dried up. But I still presume to think that it is good to contemplate a splendid possibility, some dim similitude of which may one day be realized, to the unspeakable benefit of society."

The whole chapter deserves most attentive study. It suggests the finance of the future and of democracy. This great and clear-headed thinker has rejected the dogmas of a political economy founded on conjecture, and has arrived at true principles by observing facts.

42. We would also draw attention to the following extracts from Buchner's "*Man in the past, present and future*" translated by W. S. Dallas, F.L.S., 1872 (pages 179 to 181):—

"Such a State as this really resembles an organism, in which all the juices flow constantly and in uninterrupted streams from the circumference to the centre, to flow back again immediately from the centre to the different parts and furnish them with strength and health. In this uninterrupted ebb and flow, in this ceaseless interchange of juices between the individual parts and great central points lies the best guarantee of health, whilst every interruption of this movement, every stoppage or accumulation of blood in the different parts has illness or discomfort as its consequence. Just so is it also in the body of the State, which must be less comfortable in proportion as the interchange between the whole and the individual parts is less, and as property and riches accumulate in an unnatural manner at particular parts of the periphery and fix themselves there without any free circulation with the general body."

"The measure proposed by ■ will of course operate most effectually against this unnatural accumulation of such large private fortunes as are injurious to the community,—they will constantly carry back the national riches from the hands of individuals to the place where they naturally and justly belong, namely, the lap of the nation itself. Like ■ beneficent rain, they will there distribute themselves among the individual members and awaken life and health where before there was only desolation and misery. In this way, without the detested communistic division and without any infringement of private interests, a certain amount of division will be taking place continually and at every moment, and a constant, normal and legitimate equalization between the whole and the parts, ■ also between the parts themselves, will be established."

CHAPTER III.

PROVISION FOR THE SICK AND DISABLED.

43. The sick and disabled, unable to work, have to be supported at a loss, either by themselves from resources in possession, or by others. Many provide for themselves by subscribing to benefit societies for sick pay. But benefit societies sometimes fail; and sometimes they are branches of trades unions, and their resources may in such case be diminished by strikes. It is not every one who has been able to subscribe to a benefit society.

44. Those sick or disabled persons who have no resources of their own must either depend on their relatives and friends, or apply for poor law relief. But poor law relief is so managed that a sick or disabled person *unable* to work is subjected to almost as much degradation in applying for it as if he or she were an able-bodied person *unwilling* to work. There should be no disgrace in sickness, and relief should be provided as a right and paid for by society at large—subject to this precaution (to prevent abuse) that sick pay shall be given only on certificate of one of the medical men employed by the State (see Chapter IV.) that the sickness is real and is sufficient to disable the sick person for work. (In the case of a married woman this would refer to her household work.)

45. Mr. Edmonds has assumed that the proportion of sickness is, at every age, simply as two constantly sick to one annual death, and Dr. Farr has said that this is a bold and happy hypothesis.* We assume it as sufficiently correct to be the basis of an estimate of the cost of provision for the sick and disabled.

46. The deaths in 1877 were 667,803, which, multiplied by two, gives a probable total of 1,335,606 constantly sick; but this includes those under the age of 13, who may be considered dependent on their parents, and those over that of 65, who are otherwise provided for (see para. 16). Thirty five per cent. should therefore be deducted, that being about the proportion of deaths below the age of 13 or over that of 65. This reduces the number to be provided for to 868,206. But 4 per cent. of the total (or 53,424) would be between 13 and 20 years of age, which would leave 814,782 between 20 and 65 years of age. Allowing 1s. a day to those between 20 and 65, and 9d. a day to those between 13 and 20, we should require annually—

814,782 × £18¼	...	...	...	14,869,771
53,424 × £13 ¹¹ / ₁₆	...	...	...	731,241
Total				15,601,012
Add for probable increase of population in				
25 years (from 33½ millions to 40 millions)				3,027,708
Total				18,628,720

The way in which this is proposed to be obtained is shown in paras. 36 to 39.

* Chamber's Information for the People—edition of 1874, Page 517—Vol. 2—Article *Social Economics of the Industrial Orders*.

CHAPTER IV.

MEDICAL AND SURGICAL AID FREE.

"It has never indeed heretofore been thought that the relief of the sick, desirable — it is, is a proper subject for a grant from the Exchequer of this country, but it might be thought otherwise."—*Mr. Gladstone's Speech of 4th May, 1863.*

47. A person who is sick naturally claims the help of those who can cure him or alleviate his pain. This claim arises from the fact of sickness, and not from the possession or non-possession of property. But those who can cure must be sustained and rewarded, and they are unwilling, as a rule, to aid those who cannot and will not pay them. And the payment they take from those who pay is often very much more than the value of the service rendered.

48. The better course would be, that all should be aided on equal terms, and the cheapest and most convenient way of doing this, and thus providing against inhuman neglect of those who cannot pay, is to provide Dispensaries and Hospitals at the expense of the State, and to make them open to all, without payment, and without question or degradation. Medical and surgical aid, like police protection, paved and lighted streets, made roads, &c., should pass into the domain of gratuitous utility. Special practitioners of exceptional claims, and medical innovators, would still find support among the richer classes; but it is necessary that none shall be denied that ordinary assistance which every qualified practitioner is able to give.

49. A system approaching to what is required is already in operation in Ireland, under the Dispensaries Act of 1851. Those unable to go to the dispensaries are visited at their houses.*

50. The amount required for this would, under the proposal in paras. 36 to 39, become available after 25 years, when the population would probably have reached about 40 millions.

51. The rate paid to self-supporting provident dispensaries is one penny a week for each adult, and one half-penny a week for each dependent child. Estimating adults at 70 per cent. and dependent children at 30 per cent. of the population, we should require, at the provident dispensary rate—

28,000,000 at 4s. 4d.	...	...	5,833,333
12,000,000 at 2s. 2d.	...	...	1,300,000
			7,133,333

ADD :—

For burials (22 per 1,000 of population)	
880,000 at £1-10s.	1,320,000

TOTAL ... 8,453,333

Of this amount, 7,983,617 would be available from interest on national investments (see para. 39): The remainder, £469,716, would have to be provided in addition, either by a small addition to taxes, or from surplus revenue.

52. All existing medical endowments should be taken over by the State, and their surplus funds applied to provision of hospitals, to which should be sent any severe cases requiring treatment of a kind not practicable at a dispensary or at the patients' homes.

*Westminster Review, April, 1874, page 436.

EXTINCTION OF PAUPERISM AND MENDICITY,

BY MEANS OF NATIONAL INVESTMENTS.

53. HERE we enter on forbidden ground. The shades of Ricardo and Malthus dwell upon the threshold, and even John Stuart Mill may be quoted ■ thinking that in this direction all hope must be abandoned. His arguments to that effect will be found on pages 219 to 221 of his *Principles of Political Economy* (People's Edition).

54. With all veneration for Mr. Mill, we are of opinion that on this point he saw, when writing those paragraphs, only a portion of the case. He begins by showing clearly that a deficiency in the wages fund can be met by a compulsory saving such as we proposed. He adds :—

“ If this claim on society could be limited to the existing generation ; if nothing more were necessary than ■ compulsory accumulation, sufficient to provide permanent employment at ample wages for the existing numbers of the people ; such a proposition would have no more strenuous supporter than myself.”

So far he is with us. But, in his next five paragraphs, he strongly opposes all attempts in this direction, on the ground that the certainty of employment would stimulate the growth of population, that the increasing population could not increase the produce proportionally, and that everything which places mankind above a nest of ants or a colony of beavers would perish.

55. Let us consider this calmly. There are two kinds of Malthusianism, that of the philanthropist who seeks to use it as an instrument of human progress, and that of the egotist who uses it to justify his egotism and oppose progress. Mr. Mill was of the former class, but in these paragraphs he furnished arguments for the latter class.

56. It is incontrovertible that ■ increase in population will, other things being equal, reduce the average share of the population of the world in the total wealth of the world. It is equally true that an increase in the numbers of a family reduces the average share of the members of that family in whatever it possesses. But it *does not follow* from these facts, either—

that capital never increases ■ rapidly ■ population.

that when inferior soils are brought under culture, the increase of food will invariably be less than the increase of population, or

that the abolition of pauperism in one generation will *necessarily* cause an overwhelming increase of population in the next.

57. It is a favorite dogma in political economy that population always increases more rapidly than production. How does this agree with the facts ? The following figures (extracted from the *Financial Reform Almanacks*) show

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the progress of population, and the growth in amounts assessed to income tax, and of exports of British produce, during the 24 years from 1854 to 1878.

Year.	Population.	Amount assessed to Income Tax.	Value of British produce exported.
		£. (1853-54.)	£.
1854 ...	27,658,704	308,282,191	97,184,726
		(1877-78.)	
1878 ...	33,799,386	493,598,158	192,848,914
Increase.	6,140,682	185,315,967	95,664,188
Per cent.	22.201	60.112	98.435

These figures do not support the dogma. The fact is that the labor of the people (aided by machinery) has during the period produced enough to maintain the whole population and leave a large surplus; but that surplus has fallen into few hands, to which cause it is due that individuals have felt a population pressure which the nation ought not to have felt.

58. We quote the following from page 119 of Mr. Mill's book :—

“As a matter of fact, at some periods the progress of population has been the more rapid of the two, at others that of improvement.”

Ever since the great mechanical inventions of Watt, Arkwright, and their cotemporaries, the return to labor has probably increased as fast as the population; and would have outstripped it, if that very augmentation of return had not called forth an additional portion of the inherent power of multiplication in the human species. During the twenty or thirty years last elapsed, rapid has been the extension of improved processes of agriculture, that even the land yields a greater produce in proportion to the labor employed; the average price of corn had become decidedly lower, even before the repeal of the corn laws had so materially lightened, for the time being, the pressure of population upon production. But though improvement may, during a certain space of time, keep up with, or even surpass, the actual increase of population, it assuredly never comes up to the rate of increase of which population is capable: and nothing could have prevented a general deterioration in the condition of the human race, were it not that population has in fact been restrained.”

59. We extract the following from the article on population in *Chambers's Information for the People* (page 499, vol. 2.)—

“But—the Malthusians object—when the best soils are all under cultivation, it is necessary to resort to the inferior. These require more labor, and afford less return. There is, therefore, a decreasing fertility in the country, while its popu-

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lation is always increasing. To this it is replied by the opposite party, that while worse and worse soils ■■■ in the ■■■■ of being resorted to, better and better modes of culture are coming into operation, so as to make perhaps a third-rate soil capable of producing ■■ much, by ■■ certain amount of labor, ■■ ■■ second-rate soil was a few years before ; and so on, with the other qualities, each being raised ■■ degree in the scale by every fresh effort of human ingenuity. In point of fact, the best British soils do now bear four times the quantity of grain they bore a few centuries ago, and millions of acres then deemed unfit for tillage, now produce ■■ much by the same degree of labor ■■ the best soils did at that time. Add to this the improved modes of culture, which lessen the amount of labor, the application of stimulants hitherto unknown, and also the more economical modes of sowing and preparing food, and you have a ratio of increase in the means of subsistence equivalent to anything anticipated in the progress of population."

So much for Ricardo, (whose theory of rent, in its bearing on the Malthusian theory of population, was really in question). His theory must not stand in the way of progress. As for Malthus, we are earnest believers in the essentials of his system, but instead of making it an excuse for "masterly inactivity," we desire to reconcile it with beneficent action, and to show that "man is the master of things."

60. It is a common idea that population increases most rapidly when ignorance and hopeless poverty prevent its increase being restrained by prudence. If this be correct, why should we protract, where it exists, the hopeless poverty and consequently the ignorance? Is it not our duty, even at the risk of some temporary increase in the rate of increase of population, to carry out Mr. Mill's own suggestion of improving the physical well-being of one generation and raising by that means the habits of their children? But by thus raising a generation, we shall give it something to be prudent for, and we need not fear that the lesson will be lost.

61. We take from John Stuart Mill, in the paragraph (on page 221) next following those on which he so much discourages the provision of *employment* for the poor, the following strong arguments in favor of providing a *subsistence* for them:—

"It required much experience, and careful examination of different modes of poor-law management, to give assurance that the admission of an absolute right to be supported at the cost of other people, could exist in law and in fact, without fatally relaxing the springs of industry and the restraints of prudence. This, however, was fully substantiated by the investigations of the original Poor Law Commissions. Hostile as they are unjustly accused of being to the principle of legal relief, they are the first who fully proved the compatibility of any Poor Law in which a right to relief was recognized, with the permanent interests of the laboring class and of posterity. By ■■ collection of facts, experimentally ascertained in parishes scattered throughout England, it was shown that the guarantee of support could be freed from its injurious effects upon the minds and habits of the people, if the relief, though ample in respect to necessities, was accompanied with conditions which they disliked, consisting of some restraints on their freedom, and the privation of some indulgences. Under this proviso it may be regarded ■■ irrevocably established, that the fate of no member of the community needs be abandoned to chance ; that

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society can and therefore ought to ensure every individual belonging to it against the extreme of want ; that the condition even of those who are unable to find their own support, needs not be one of physical suffering, or the dread of it, but only of restricted indulgence, and enforced rigidity of discipline. This is surely something gained for humanity, important in itself, and still more so as a step to something beyond ; and humanity has no worse enemies than those who lend themselves, either knowingly or unintentionally, to bring odium on this law, or on the principles in which it originated."

62. This suggests the remedy. It proves that even the present unscientific and wasteful system of relief is harmless if accompanied by some restraints on freedom and the privation of some indulgences. Let us keep the restraints and privations, but let us make the relieved class self-supporting, and let them be made to work themselves up into the ranks of independent labor. But there must be no restraints or privations if they are sick or disabled.

63. We propose to make the National Investments described in Chapter II. our instrument for the Extinction of Pauperism and Mendicity.

Our first investments would be—

Purchase and improvement of waste lands,

Forming plantations, &c.,

Purchase of patents, and

Setting up and working new industries.

These investments would take two principal shapes, payments for purchases and payments for labor. We propose that the labor shall be executed by those of the able-bodied poor who are without other employment, and that the provision for such able-bodied poor shall take the form of payment for their (productive) labor, instead of that of poor law relief with an unproductive labor test. And we should take the present cost of poor relief, at a rate averaged for the whole country, as (after providing for the disabled poor) a contribution for the working expenses of the National Investments. Thus a national system, instead of the present local system, would bring all under uniform control, the anomalies and the wasteful litigation caused by the settlement system would cease, and it would become possible to remove surplus labor from the districts in which it is not in demand.

64. A little book (*The Producing Man's Companion*) by an unknown author, published by Effingham Wilson in 1833, suggests the substitution of National Works for Pauperism. We make the following quotations from it :—

"To say that there is no work on which to employ the surplus labor of the community is an absurdity. There may be parochial or private labor, it is true,

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but there are national works, almost without end, still to be accomplished. While there is a useful railroad unmade, a harbor imperfect, a bridge or a building to be erected, it is futile to say that there is no employment for laborers. Instead of frittering away the parish funds, as is at present the case, let them all merge in one ~~national~~ national fund, under the direction of a national board of works, composed of able, scientific and philosophic men, willing to push the glory of their country to its highest stretch, and at the same time amenable and responsible to the legislature. Paupers—save the old and infirm—would under such a system cease to exist, because they would be converted into most useful laborers, earning an independent livelihood as erect and self-respecting freemen. A certain portion, comprising the imbecile in mind and body, would of course always continue paupers,* but there are hundreds of thousands of athletic peasants and others, who would gladly cease to eat the parish bread, and with the sweat of their brow earn the right to hold an opinion on the legislature of the society in which they form a part. Let those who doubt the practicability of the plan remember that in some way or other these people *must be fed*. It is not a matter of choice, but of necessity, and it is better to feed them as freemen than as slaves. It is better to *pay* them wages than to *give* them charity. The one ennobles with conscious independence, the other debases by rendering helpless and therefore irresponsible.”

65. The author gives as an example the case of a canal from the head of the Hudson river to the shore of Lake Erie. The necessary capital was raised by means of State bonds bearing interest until they could be redeemed by repayment of the principal. In this case, he says, all the capital was consumed directly in *labor*, except the very small portion which went for the purchase of *tools*. All the materials, wood, stone, &c., consumed were found in the different localities; they were shaped by *labor*. He adds that, had there been a stock of pauper labor to employ, the outlay would only have been in tools. (Some sort of *shelter* for the laborers must also have been necessary.) He goes on—

“ Might not such a work as this have been performed in England by pauper labor, not working the men as paupers, but as free laborers at a stipulated rate of wages equal to what they now receive as paupers? What great science is there required in the art of digging, of cutting stone, of digging iron ore and converting it, or in the operations of rough carpentry? A very few intelligent men would in a short time teach thousands to work in various branches, who had never previously handled anything but a spade. What is the capital consumed in, which goes to the construction of a railroad? Wages! The iron is dug for wages. The furnace is built for wages. The digging is performed for wages. The stone is cut for wages. The bricks are made for wages. The coal and the lime are dug and burnt for wages. The building of the arches is performed for wages. All this is not indirectly but directly paid. The timber and other foreign material of small amount, and the salaries of leading workmen, is all that would be required, in aid of the poor rates now paid, to intersect England in all directions with railroads,* and this might be done without in any way interfering with any branch of industry at present occupied by others. It would be a new track altogether.”

* Written when railroads were few, but there are still many wanted.

* Not under our proposals in Chapters I. to III.

“If it be replied that coal, lime, stone and other matters must be purchased from their owners, the answer is that there is an abundance of unwrought materials of these kinds on public lands. Their cost of extraction would be the pauper labor at present not used but wasted. How great would be the advantage gained by spreading a variety of knowledge through those grades of the community which are at present immersed in ignorance. To assert that such a thing cannot be done is an assertion without foundation.”

66. He goes on to say that national works would at once afford refuge to those thrown out of employ by introduction of new machinery.

67. He then gives an instance of the employment of convicts, who built the State prison at Sing-Sing in the State of New York—

“It may be supposed that the building of the prison and its maintenance must have caused a very heavy expense. No such thing! At its first origin some hundred convicts were located in wooden huts on the site of the prison, under the care of a few soldiers. Some directors gave them instructions for the quarrying and cutting of stone; the other materials were brought to the spot, and the convicts built their own prison, learning a new trade while so doing. By day the convicts are all turned out at liberty within the walls of the enclosure, which is formed on the site from which the stone was originally taken. They then pursue their various trades of stone sawing and cutting, carpentry, shoe-making, cabinet work, smiths’ work, engraving, tailoring, and numerous other branches of art. They manufacture all their own necessities, and supply the public with a great quantity in addition; in fact it is a trading concern producing some profit to government.† I would simply ask why English paupers cannot be made to do all that is done by American convicts?”

† The Portland break-water was also made by convict labor.

68. He suggests pensioning inventors instead of granting patents.

69. WASTE LANDS.—The first and principal object of National Investment will be the purchase and improvement of waste lands. In No. 34 of *Chambers’s Information for the People* (edition of 1874—Pages 537 and 538), we find the following:—

“According to the agricultural statistics of the Board of Trade, it appears that out of the 77,500,000 acres in the United Kingdom, only 46,000,000 are in cultivated arable and pasture land, the remaining 31,500,000 being thus distributed:—

	Acres.
Woods and plantations ... — ...	2,000,000
Sheep walk (Scotland) — ...	7,000,000
Uninclosed pasture (Ireland) ...	8,000,000
Mountain, peat, and flat red bog (Ireland) ...	3,000,000
Other waste—say ...	11,500,000

Much of this large proportion of territory is either situated at such an altitude, or else so naturally barren, as to be hopelessly beyond the reach of improvement; but estimating from Mr. Couling’s valuation in the year 1827,

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and the amount of land inclosed since that time, we have now about 16,000,000 acres capable of being added to the arable and pasture land of the kingdom.

“Considerable misapprehension exists as to the character and capabilities of these cultivable waste lands, and we have no reliable authority furnishing us with exact information ; however, there is sufficient evidence to show that they generally consist of the naturally poorest or most unfavorably situated ground, or such as is least remunerative to the husbandman; owing to the heavy outlay required for its reclamation.

“The Inclosure Commissioners, in their Twenty-seventh Annual Report, dated January 31, 1872, say,—‘The extent of waste land held in ‘common’ in 1844 was estimated at 8,000,000 acres, and that estimate was based on a return (taken partly from every county in England and Wales) of the actual amount of ‘common’ found on an area which embraced one-fifth of the whole country. It may therefore be assumed to give a fair representation of the extent of common land at that time.

“In addition to the ‘common land’ there is also a considerable extent of ‘commonable land,’ that is, land held in severalty for a portion of the year, upon which, after the summer crops are removed, certain rights of pasturage are exercised in common during the remainder of the year. This was supposed to comprise 2,000,000 acres, but there is no certain basis for this estimate.”

“The estimate of 1844 of ‘common’ and ‘commonable’ land together, at somewhat over 9,000,000 acres, may, we think, be accepted as fairly accurate. In the twenty-five years since the passing of the General Inclosure Act, 670,000 acres of these lands have been and are in course of being inclosed, an extent equal to an average English county. This leaves fully 8,000,000 acres still to be dealt with, which is more than one-fifth of the entire acreage of England and Wales. Of this vast extent of country there is reason to believe that upwards of 3,000,000 acres will be found in the lowland counties of England, and the remainder in the mountainous and moorland counties, and in Wales. A large proportion of the ‘commonable lands’ which are situated chiefly in the lowland counties, is undoubtedly susceptible of more profitable use and cultivation after inclosure. In addition to the ‘commonable land’ (which at present is more or less under cultivation), we think it may be assumed as a very moderate estimate that, out of the ‘commons,’ one million acres might still be added to the productive area of agricultural land in England. To accomplish this, at the rate of progress hitherto made with inclosures, many years must necessarily elapse. Even when that is completed, there would remain about one-sixth of the area of the entire country still open, and subject to rights of ‘common,’ an extent so great as must show how erroneous have been the apprehensions expressed of the speedy inclosure of every common in England.

“In estimating the value to be attached to these figures, it will be borne in mind that they apply to a country of limited extent, where mining and manufacturing industry, railway extension, and urban population, are constantly pressing upon the narrow limits of the cultivated land. The addition of one million acres would be sensibly felt ; it is more than has been won from the sea in three centuries and-a-half by the laborious industry of the Dutch, and would be nearly equivalent to one-tenth of all the land at present under crops in England, exclusive of grass. This would be an outlet for labor and enlargement of cultivable country exactly the same as an addition of an equal extent of territory. Nor should it be forgotten that, when inclosed and cultivated,

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these lands would become a source of further revenue for all purposes of imperial as well as local taxation, and, being held in severalty, would add to the quantity of land capable of being brought into the market for sale and purchase.

“From the great decrease of inclosures during the present century, in spite of the vast and rapidly accelerating increase of population and demand for food, it is plain that but little ground yet remains waste which it would be worth while to cultivate, under our present system of tenancy and our present order of agriculture. The notion that there exist wide-spread tracts of good land, unprofitably waiting till their owners permit them to be tilled, is not correct; there are but few plots capable of ordinary culture which are not already brought under the plough, or appropriated to the pasturage of cattle. British agriculture has arrived at that point of its history in which the problem is, how to increase the yield from each acre, rather than where to extend the area operated upon. Still, so long as the system under which land is occupied continues to trammel enterprise and improvement, and so long as science and practical skill are so partially diffused among farmers, the waste lands will be resorted to by bold proprietors and venturesome tenants; and that instinctive preference felt by the great majority of men for agricultural before all other pursuits, will not fail to lead strong-armed laborers and town-wearied mechanics to push stone-walled inclosures up the steep sides of moors and fells, to creep with gardens and green crops up the sandy heaths, to tap dropsical mosses, and bale out the tide from fat marshes.

“The question as to the propriety of reclaiming a really improvable waste is, in any particular case, to be satisfactorily answered by ascertaining at what expense, in relation to the probable profit, the process may be performed. A barren rocky desert may be rendered productive by covering it with soil and manures brought from a distance of miles, aided by years of careful tillage; but will the returns in produce be equivalent for the excessive outlay?”

70. The article then goes on to describe the nature of the various waste lands, the best means to be adopted in reclaiming them, and the results which may be expected to reward the enterprising improver, which need not be detailed here. The number can be purchased for three half-pence, and should be read by all who doubt the desirability or practicability of the measures here proposed. The reclamation of waste land has not always been profitable to individuals, as much of their capital had to be sunk in payment for the labor required to bring the land into a cultivable state. But there can be no reasonable doubt that it will be profitable to the State if the now unremunerative expenditure on relief of the able-bodied poor be devoted to make good the deficiency by which reclamation of waste land sometimes fails to reach the average rate of profit.

71. We quote the following from John Stuart Mill's *Political Economy* (People's Edition, page 58):—

“The most permanent of all kinds of fixed capital is that employed in giving increased productiveness to a natural agent, such as land. The draining of marshy or inundated tracts, the reclaiming of land from the sea, or its protection by embankments, are improvements calculated for perpetuity; but drains and dykes require frequent repairs. The same character of perpetuity belongs to the improvement of land by sub-soil draining, which adds so much to the

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productiveness of the clay soils; or by permanent manures, that is, by the addition to the soil, not of the substances which enter into the composition of vegetables, and which are therefore consumed by vegetation, but of those which merely alter the relation of the soil to air and water; as sand and lime on the heavy soils, clay and marl on the light. Even such works, however, require some, though it may be very little, occasional outlay to maintain their full effect."

"The land, thus increased in productiveness, bears a value, in the market, proportional to the increase."

72. FORESTS AND ORCHARDS :—A fit object of National Investment is the formation of Forests and Orchards. The slow growth of trees makes them a bad investment for the generation which plants them, but they are profitable to succeeding generations. In distributing the labor of the able-bodied men under relief, the relieved gardeners, and a sufficient number of the relieved agricultural laborers, should be employed in planting. Planting is the best means of reclamation of sandy tracts of waste ground, and all such ground should be acquired for the purpose.

73. PURCHASE OF PATENTS AND WORKING NEW INDUSTRIES.—We act on the principle that what is natural, if at present injurious, is only so for want of proper management. Thus, instead of trying, like Proudhon, Lassalle and Ruskin, to abolish compound interest, we propose to use it for our own purposes. Similarly, we shall deprive machinery of its evil results by bringing all the most useful patents, by purchase, into the possession of the nation, thus making patent monopolies tend to general profit rather than to that of private capitalists. A new invention throws thousands out of employment, but the injury is reduced to a minimum if we bring its profits into a fund by means of which other employment is immediately found for them. By thus adopting new industries (and improvement of wastes) as its field of employment, our National Investment Department will avoid that competition with old industries, for fear of which the labor of the relieved poor has so long been doomed to unscientific unproductiveness. And to such new industries we shall specially devote the labor of females, leaving males chiefly to out-door work.

74. CLASSES TO BE DISPOSED OF.—The classes requiring relief must be separated, and considered or treated differently according to the nature of their claims. They include—

1. The aged, above 65 years of age.
 2. The sick and disabled, between the ages of 13 and 65 years, and their children under the age of 13 years.
 3. Orphans or deserted children under the age of 13 years.
 4. Males willing to work.
 5. Males unwilling to work.
 6. Single or deserted women willing to work.
 7. Single or deserted women unwilling to work.
 8. Wives of men of classes 4 and 5.
 9. Children of persons of classes 4 to 8.
- Able bodied persons without resources or employment, and others dependant on them

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The first class would be provided for at once by the arrangements described in Chapter I. The second class would, after 25 years, be provided for under the arrangements described in Chapter III. It remains to dispose of the other seven classes permanently, and of the second class for the first 25 years, so far as that class may apply for public aid.

75. The present Poor Law arrangements provide, in an insufficient manner, so harsh as to be suitable only for classes 5 and 7, for those persons, of all these classes, who voluntarily apply to the State for aid, but they neither provide for the relief of uncomplaining misery nor for the disposal of those who think it less degrading or more profitable to beg from individuals than to apply for State relief. A really effective scheme must include all.

76. THE SICK AND DISABLED would, for the first 25 years, be treated as at present, except that care would be taken to remove the appearances of degradation. Thus children under the age of 13 should be maintained and instructed.

77. FOR ORPHANS OR DESERTED CHILDREN under the age of 13, the present arrangements would be developed into a system of district schools of industry. The police should have power to bring into those schools any such children who may not apply for admission and are not otherwise provided for. We need not fear an enormous influx of deserted children. Foundling Hospitals in France, though open to all, are not unable to meet all requirements. The population does not increase, though such facilities are open (Head's *Fuggot of French Sticks*). The schools of industry should, as far as possible, be made self-supporting and their operations should form a part of the general scheme for employment and production.

78. THE ABLE-BODIED DESTITUTE would be the only real difficulty.

79. The problem to be solved—hitherto considered insoluble, and believed so chiefly because of the failure of the French National Workshops in 1848, which were no fair trial of the principle of State employment*—is how to find remunerative work for the unemployed without competing with those already in employ. This has been thought impossible for two reasons:—

1. That all or nearly all men out of work have been trained only in some trade for which their labor is not in demand.
2. That no great and persistent effort has yet been made to find for them such employment as will not interfere with the prospects of their fellow-workmen.

80. One thing is obvious. Relief of the able-bodied poor *must*, in a scientific system of administration, be made to pay its own expenses at least. The wasteful system by which, for so many years, the cost of relief has been expended unproductively, is in part due to the arguments of Defoe, who pointed out the objections to bringing such labor into competition with that of the employed. But those who have followed Defoe have lost sight of his suggest-

* Proved in Louis Blanc's "History of the Revolution of 1848."

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ed remedy. He proposes that the labor of able-bodied persons under relief shall be applied to some new trade; some new market where the goods they make shall be sold, where none of the same goods were sold before. We quote the following from *Hole's Lectures on Social Science*. (Chapman 1851.)

“Let the pauper consume his own produce, and the required market is at once found. That which constitutes a pauper is absence of food, clothing and home, and yet we are puzzled what to do with the results of his labor.”

This is suggestive, though not wholly satisfactory.

81. The competition of pauper labor with free labor resembles that of machinery with hand labor, and it is as unreasonable to make pauper labor unproductive as it would be to stop the working of machinery. The proper use of both is to increase the quantity of good things available for use or consumption.

82. We find the new trade desired by Defoe in the reclamation of all improveable waste lands, and on those lands we shall find the market for the goods to be made, where none of those goods were sold before.

83. The mere reclamation of land would not be the only means of employment and profitable investment. Roads, canals and railways have to be made to and over the purchased lands, houses have to be built upon them, manufactories to be built for the new industries (see para. 72), quarries and mines to be opened or worked, and new towns and villages, with their water supply, gas and drainage, to be provided. All these would *pay*, for they would be required and paid for by the large section of the population who would be raised from indigence to independence.

84. ABLE-BODIED MEN WILLING TO WORK.—Gardeners, cultivators and able-bodied laborers would work at land improvements and planting, masons and carpenters at the necessary buildings, sailmakers at tent-making, butchers, bakers, &c., at the provision of food for the others, tailors to clothe the others, &c. It only requires the will and persistent determination to *try*, and means of useful employment involving injury to none will be found to open out in different directions.

85. The reclamation of waste land will in some places require the work of large bodies of men, who might be located in tents till better shelter be provided, if necessary. For these works unmarried men should be selected. In other places, cottage farms and spade husbandry would be the best means. See article “Spade Husbandry,” in *Chambers's Information for the People*—(page 544, vol. 1, edition of 1874.) For this work suitable married men should be selected and their families should go with them. From the above-mentioned article on Spade Husbandry we extract the following.

“In a report of the Emigration Committee, published some years ago by the House of Commons, is the following estimate of the expense attendant upon the location of a family, consisting of a man, his wife, and three children, upon

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four acres of waste land fit for cultivation, in any part of the United Kingdom:—

	£.	s.	d.
Transport of the family—say, on an average 50 miles			
—to their location	3	0	0
Implements	2	10	0
Household furniture	5	0	0
Cottage, cowshed, and pig-sty	26	0	0
Potatoes and seed	4	0	0
Provisions for one year	25	0	0
Cow, pig and poultry	9	0	0
Proportion of the cost of superintendence	0	10	0
Total	£75	0	0

“The items for the buildings and the live stock are much too low for the present day, so that £100 will be nearer the sum required. It was considered that by the produce of the four acres cultivated by the spade, the family could maintain themselves, and, after a lapse of five to seven years, dispose of produce to the value of £22 per annum, after paying £8 yearly rent.”

Those who failed in cottage farming could be removed to other work after a sufficient trial, and others tried, until every cottage farm on the reclaimed land had its successful tenant, paying rent into the National Investment Fund.

86. The SINGLE MEN employed on large works should receive money wages equal to those given to soldiers of the line, with transport, food, shelter and clothing free, and should be under an engagement to serve at least one year, pay to be stopped when work is unsatisfactory. They should be under a military organization and be trained as soldiers during intervals of slack work.

87. The MARRIED MEN not employed in cottage-farming would receive wages for their work, either (preferably) at piece-work rates 10 per cent. less than the average rates paid to their fellow workmen in ordinary employ, or at day work rates also 10 per cent. below those usually paid, for the kind of work in which they are employed. Their families would be sent with them to the locality in which employment is found for them.

88. The following abstract of the best parts of a plan for organization of pauper labor, proposed by Mr. James Hole in his *Lectures on Social Science and the Organization of Labor*, published by John Chapman, 142 Strand, in 1851, may be found suggestive:—

“Taking the proportions of the various occupations existing in so vast a number, as a tolerable approximation to that which exists in general society, it would be needful to ascertain the previous employment to which the paupers may have been accustomed, and to classify them according to age, general character, number of family, &c. Among the pauper body there will be a larger amount of unskilled laborers. But this disadvantage will not be great, since their first occupation will obviously be to supply the *primary wants*.

“They should be subdivided into *colonies*, putting each under the superintendence of persons of known ability in those departments of industry to which the

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colony was to be principally devoted, and who also possessed habits of discipline and the power of governing numbers. The appointment would not of course depend on popular control. Under them would be a number of overlookers or foremen, partly selected from the superior portion of the paupers themselves, making the reward of each, as far as possible, contingent on the results of their management. Stone-breaking and oakum-picking would be performed at one hundredth part of the present expense, by means of machinery. Not only should division of labor be introduced, but also machinery for saving labor.

“The greater portion of the colonies should be agriculturally employed, in Ireland especially. Living should be on the principle of association. The diet, clothing &c., should at first be just what are essential to health, and nothing more.

“The pauper would be considered as a debtor to the State for the whole amount of food, clothing, money and shelter advanced to him, and creditor by the value of his labor. When these two have balanced, *i. e.*, when he has repaid the whole he had consumed, the restriction will cease, he assuming the position of an independent laborer.

“Let Government acquire for such colonies part of the 14 millions of acres of waste land in the country. Pauper laborers are indeed less efficient than other laborers, but not irretrievably so, and when we reflect that the labor of the independent workman sustains not only himself but all other classes of society, we may expect that the labor of the pauper will at least maintain himself.

89. The National Investment Department would put in force, wherever necessary, the Artizans Dwellings Act, building, chiefly with the labor of those under relief, suitable DWELLINGS FOR THE WORKING CLASSES in towns and country. The rent of these would in time become a great income. They should be built on the most approved models, with all the economies of co-operative house-keeping and all the sanitary arrangements necessary for health, but in such a way as not to interfere with the due independence of the occupants.

90. If this be State competition with existing house owners, so much the better. It has long been wanted. In *this* direction, the competition of State Capital and “pauper labor” with private monopoly and indifference can do no harm.

91. ABLE-BODIED MEN UNWILLING TO WORK.—Beggars; if not worse—the bad bargains of society. What shall we do with them? The EXTINCTION OF MENDICITY is possible. We have an example of it. Some 90 years ago, an Englishman or American named Benjamin Thomson, better known as Count Rumford, was high in the Government of Bavaria. The capital was infested with beggars. One day Count Rumford went into the street and arrested the first beggar he saw. And on the same day, by arrangements made beforehand, nearly all the other beggars were arrested too. They were all marched into workshops and made to work or to learn to work. After a period of compulsion, they preferred work and were grateful to the strong hand which had raised them from degradation. Rumford’s successors had weaker hands and hearts, or had not time for the work, but Bavaria has never again swarmed with beggars.

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92. A Rumford or a succession of Rumfords—better still, a system worked by a staff of specially selected officials and having the force of law, will be sufficient to extinguish mendicity in Great Britain and Ireland. Such a plan has had, many years ago, the eloquent advocacy of Thomas Carlyle, to whom we are indebted for the suggestion of INDUSTRIAL REGIMENTS.

93. We propose that all able-bodied men who are found applying for alms and not for work shall be brought under military discipline for 7 years, and formed into Industrial Regiments, which, like the Military Sappers and Miners, but continuously, shall be employed on national works, but with 10 per cent. less pay than that of soldiers of the line, and with no money pay at all when their work is unsatisfactory.

94. Read what Carlyle says—

“Soldiers of Industry! I will lead you to the Irish bogs, to the vacant desolations of mistilled Connaught, to ditto Munster, Leinster, Ulster :—I will lead you, to the English fox-covers, furze-grown commons, New Forests, Salisbury Plains, likewise to the Scotch hill-sides and bare rushy slopes, which as yet feed only sheep,—moist uplands, thousands of square miles in extent, which are destined yet to grow green crops, and fresh butter and milk and beef without limit (wherein ‘no Foreigner can compete with us’), were the Glasgow sewers once opened upon them, and you with your Colonels carried thither. In the Three Kingdoms, or in the Forty Colonies, depend upon it you shall be led to your work.

“To each of you I will then say :—Here is work for you ; strike into it with man-like, soldierlike obedience and heartiness, according to the methods here prescribed,—wages follow for you without difficulty ; all manner of just remuneration, and at length emancipation itself follows.”—*The Present Time*.

95. The organization and command of such Regiments would not be difficult. Perfection must not be expected in the first year or two ; but there is no lack of trained officers. As Carlyle says, “hundreds of such stand wistfully ready for you, these thirty years, in the Rag and Famish club and elsewhere.” (*The New Downing Street*).

96. The WIVES OF MEN IN THE INDUSTRIAL REGIMENTS would, like those of men in the fighting Regiments, be a difficulty. A certain proportion, similar to that allowed in the Army, might be with their husbands. The remainder, like those of men in the Army, or of sailors, would have to remain apart from their husbands, and would come into the class next to be mentioned, if without work or resources.

97. SINGLE AND DESERTED WOMEN.—Employment for women can be found in several ways, chief among which would be the working of new industries by means of patents of new inventions purchased by the State. In any interval before such patents become available, they might be employed in the preparation of a reserve or surplus of such commodities as are not readily perishable, but would be of use in the future for consumption by the workers employed by the State. For instance, shirts and petticoats for the next 4 years’ use might be prepared in the first year.

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98. Women *unwilling to work* should, like men of the same class, be bound to work under strict discipline for a term of years.

99. A PLEA FOR SURPLUS PRODUCTION.—We quote the following from the *Producing Man's Companion*, already referred to:—

“The next thing is to possess a surplus of means ■ to all useful things. A surplus of food, which is at present below the requisite quantity ; ■ surplus of clothing and lodging ; and a surplus of invention, which shall continually go on converting the luxuries of this year into the mere necessities of the next. Great part of our misery arises from supply being less than demand, more especially in food. If a man begins to build a house and has provided only the exact quantity of materials, should any accident happen his building is stopped and he gets into trouble. He should have provided ■ surplus. If a man commences a new business and has not provided sufficient capital, or barely sufficient, an unexpected bad debt causes his ruin. He should have provided a surplus.

100. This may not be perfectly sound, but it is an intelligent opinion deserving of consideration. At least it gives quite sufficient support to our proposal that intervals before or between the introduction of new industries may properly be employed in preparing a reserve of articles for future consumption by those employed.

101. In order that these results may be attained we require MANAGEMENT as well as money, for though money will pay for management, suitable managers, trained in the work of organization and control, must be found before money can be advantageously spent on it. And here we find ■ point at which the relief of the poorer classes involves the relief of the middle class also.

102. There are a number of Government offices which have for many years been doing, insufficiently and disconnectedly, a portion of the work that has to be done. We must not lose the benefit of the experience of such offices, but we must absorb them in the larger offices and departments which will be necessary. And in doing so we must encourage such of the present men as will cordially help us and dispense with any who may be obstructive. The new men who will be required must be selected solely for ability whatever their class may be, but it is probable that many half-pay or pensioned officers of the army and navy and of the Civil, Colonial, and Indian services may here find useful employment, and be got *cheaper* than men of less experience who have no regular income.

103. The *existing offices* which it would be necessary to take over include those of—

Woods and Forests.	
Crown Lands.	
Copyhold, Inclosure and Tithe Commission.	
Charity Commission.	
Charitable Donations and Bequests, (Ireland.)	
Local Government Boards.	} In greater part.
Boards of Supervision, (Scotland,)	
Public Works Loan Commission.	
Patent Office.	
Offices of Works, Buildings and Boundary Survey.	

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By taking over these establishments instead of beginning with a new and untrained staff, we should preserve continuity in the work.

104. We have also to take over the existing staff of *relief officers*, whose experience will be of great value, but who must, to obtain continual employment, fall willingly and earnestly into the spirit of the new arrangements.

105. The existing *workhouses* would be converted into industrial

„ schools, male,

Do. female,

Hospitals male,

Do. female,

Refuges for the old and disabled,

Workshops for new industries, male.

Do. female.

106. We should not be above (nor below) learning from other nations. For instance, we might apply to the Prussian Government for the services of a highly qualified administrator of public lands, and of highly qualified forest officials.

107. A recognized first class scientific agriculturist should be on the consulting staff of the Department, but the advice and experience of successful improvers of private property should be fully utilized.

CHAPTER VI.

SUMMARY, AND REPLIES TO OBJECTIONS.

108. To sum up—we propose at once to secure a subsistence allowance to all persons of both sexes over the age of 65 years, and to extinguish pauperism and mendicity. We propose, by investing for the benefit of the nation, a fair share of the wealth left behind them by individuals, to largely extend the area of cultivation and employment, and to provide, after 25 years, sick pay for all sick and disabled persons, of both sexes, between the ages of 13 and 65 years, free medical and surgical aid to all who may require them, and free burial of the dead. And we have the prospect of effecting, in each subsequent 25th year, some other vast improvements in the condition of the people.

109. All this can be effected by means of—

A War rate of Income Tax,

„ An increased tax on large Inheritances,

and some minor adjustments of taxation and expenditure; and the way in which we shall do it is to apply to national affairs those principles which cause the growth of private fortunes and the security of private interests.

110. Opposition we expect. We are well prepared to be told that our PLANS ARE VISIONARY, that a War Income Tax is impossible, and that high taxes on inheritance are spoliation of the widow and orphan. But we know that War Income Taxes have been paid before without calamity, and that high taxes on inheritances need not press more than the present taxes do on the *smaller* inheritances. We also know that the whole of the proposed additional taxes would only raise our total revenue a few millions beyond what was cheerfully paid by France, a poorer country, in 1879, though France had not the hope of securing our proposed benefits.

111. Our PLAN OF TAXATION IS OPEN TO MODIFICATION, except as regards inheritance taxes. If the income tax paying classes can find other ways and means, either by reducing expenditure or bringing endowments or other resources to our aid, we shall be only too happy to take a smaller income tax. We have, we believe, shown that our plans are practicable, but we are willing to adopt any way of raising the required amount, provided that the inheritance taxes be increased as proposed and that the poor classes be not subjected to additional taxation.

112. We shall here notice some of the OBJECTIONS which may be expected to be made, besides the Malthusian one disposed of in the first few paragraphs of Chapter V.

113. We shall be told that our proposals would establish an OVERGROWN BUREAUCRACY and that such a bureaucracy is a political danger. But better a gigantic bureaucracy usefully employed for the benefit of all than a gigantic pauperism useful to none, and better the political danger (if there be any) of an army of functionaries putting an end to preventible misery, than the political safety which has so long left such misery untouched. The danger however is not proved. The Civil Service includes and will include men of all shades of political opinion, and so long as we do not introduce the American system of changing all Civil Servants when a new party comes into power, the views of the Government of the day will have little influence on the ballot papers of the bureaucracy.

114. And if the efficiency of Government *management* be doubted, we invite attention to the following extract from Greg's *Political Problems* (pages 289 and 290)—

“Now, when the people ■ a whole choose their own representatives, and through those representatives the ■ who are to govern them; when the power of control is ■ direct and efficient ■ the power of choice; when we can *insist* on good and honest work; when we ■ afford to pay trained men, and when the work of administration has become so complex and so vast ■ to need men of the most consummate training; and when we have already made so remarkable ■ progress towards obtaining ■ organized Civil Service of educated and tested men—is it not time to think of enlarging the functions of

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the central Government and throwing more work upon it,—of forgetting our old mistrust, and teaching ourselves ■ new-born confidence? We have seen that incorporated companies, voluntary associations, vestries and municipalities, habitually manage public enterprises abominably, are often signally incompetent, and sometimes flagrantly dishonest. We have seen that the Government manage their one monopoly at least, the Post Office—a task they dare not neglect or bungle, and have no motive to abuse—with admirable efficiency and economy. Ought not these joint experiences to induce us to try sailing on ■ new tack? Under our new circumstances there can surely be no danger in enlarging the administrative functions of Government, in throwing more work upon it, in trusting it more fully, and in endowing it with ampler powers. Surely, too, this is a time of reform in which both Conservatives and Liberals can consistently combine,—Conservatives, because their principle has always been to increase the strength and authority of Government; Liberals, because, now that the Government truly represents the people, it is obviously the people's best instrument for doing the people's work, and because, now that they choose their rulers, they ought certainly to be able to confide in them."

115. If our opponents say that the great sums proposed to be raised by taxation are so much ABSTRACTED FROM THE WAGES FUND, we reply that there is no proof—no certainty that the money would have been used for purposes of production. Much would be consumed, much invested in foreign countries, more sunk in fixed capital. But we *know* what would be done with the proceeds of the taxes.

116. Wages depend on supply and demand of labor, and our proposals tend to increase demand and diminish supply.

117. Similar arguments dispose of those who say that the increased taxes would cause a FALL IN WAGES by the employers recouping themselves. There is no proof that the employers will be able to do so. The competition of the aged will be withdrawn from the labor market; the taxpayers are not all payers of wages to any appreciable extent. The results proposed are certain and good, even if a fall of wages to an extent equal to the benefits (which is impossible, unless temporarily in a panic) were to take place. We, at worst, exchange an uncertain good for a certain one.

118. Did reductions of wages follow the war rates of income tax in the past? Does the poor law system make wages lower in the countries which adopt it than in those which do not? Does not the experience of continental nations show that vast numbers may even be kept in idleness at the public expense, in the great standing armies they maintain, without any disastrous consequences?

119. Lord Brougham is reported to have said that high taxes on property would CAUSE PROPERTY TO LEAVE THE COUNTRY. But, it has been said, "how the land, the houses, the docks, the canals, the railways, &c., were to leave the country, he never yet showed us."

120. It may be objected that, as the inheritance tax gradually brings property into national possession, the receipts from it will be LESS AS THE UNTAXABLE NATIONAL CAPITAL INCREASES. But the annual increase of wealth in the country is greater than the amount of the proposed proportion of in-

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heritance tax to inheritances, and will continue so till long after all land, mines and railways have been acquired by the State.

121. It will be objected that the principle of our proposed National Investments is the PRINCIPLE OF THE SINKING FUND, and that the principle of the Sinking Fund is an exploded one. But we contend that the principle of National Investment is identical with that of private investment, and, unorthodox as we may seem, we think this was also the principle of the Sinking Fund, though complicated and hidden by the non-essential feature that the investments were made for the purpose of paying off debt, and were unwisely made in purchase of that debt itself, instead of in other remunerative property, the consequence of which was that the nation got tired of paying interest to itself on its own debt purchased by itself. But no such backsliding need be feared in the case of our National Investments, which will be in too tangible a form, and will be essential to too many interests, for the nation to allow them to be given up after they have once been fairly started.

122. The MAIN PRINCIPLE of our suggestions is THAT OF INSURANCE. We quote the following from the *Westminster Review* of January, 1875—Article—*Charity, Pauperism and Self-Help*.

“The principle embodied in the Poor Laws is this: Every ratepayer shall contribute to a general fund to provide against want; and every ratepayer, in consequence, shall have a legal right to a subsistence; the cost of which shall be defrayed out of the fund to which he has contributed. The principle, therefore, is that of a National Friendly or Assurance Society, differing only in this respect from private societies;—that citizenship confers membership, and that payment is contingent upon the power to pay. In other words, the aged and the imbecile, the cripple and the orphan, those who really cannot pay, are not on this account excluded from the benefit. The community, as a whole, pays and the community virtually benefits. The non-paying class is, however, practically small; and although its number may be kept up to a steady average, the individuals composing that number are constantly changing. In a greater or less degree, therefore, and at some time of their lives, it seems to us that all, except those born, or who early in life become, impotent, pay towards the fund.”

“Poor law or parish relief is wrongly held to be public charity. The pre-payment of rates by the bulk of those directly, or indirectly, through their families, receiving relief, is left out of sight, and the legal right founded upon such individual contribution ignored.”

“Hidden and perverted as it may be, the true principle of the English Poor Law is that of mutual assurance.”

“The benefits are warped and soured by hereditary prejudice; let them therefore flow in other channels and be wedded to better associations.”

123. The following is an extract from the *History of English Poor Law*, by Sir G. Nicholls (introduction—page 2):—

“It is accordingly an admitted maxim of social policy, that the first charge on land must always be the maintenance of the people reared upon it. This

the principle of the English poor law. Society exists for the preservation of property, but subject to the condition that the abundance of the few shall only be enjoyed by first making provision for the necessities of the many."

Sir G. Nicholls, though not perceiving the principle of insurance in the poor laws, sees clearly that their benefit is a right and not a charity.

124. Our scheme is now complete. In demanding for it that careful unprejudiced consideration which its importance deserves, we court the fullest possible discussion.

125. We claim no originality beyond that of having selected and arranged the ideas of others to form a practical programme. Our provision for the aged and disabled is based on the insurance taxation idea of Emile de Girardin, and our free medical aid on the "gratuitous utility of Bastiat," our National Investment scheme was suggested by Macdonell, and our industrial regiments adopted from Carlyle, while our plan for extinction of mendicity follows the practice of Count Rumford. These and many others have furnished the materials of our work—to them be the honor if this our formulation of their suggestions should lead to good results.

126. The means and the forces exist already—most people *are* maintained as it is ; we have only to adjust matters so that the accidental injustice produced by unscientific action may cease, and the good results would be incalculable. Freed from the fear of starvation, the people would lead a more dignified and better life ; and selfishness in all classes would be diminished. Hundreds of unexpected aids attend the following of a right principle, for such a principle is in harmony with other right principles. We do not doubt that the character of the whole nation would be raised.

127. Yet the changes we propose are so small—no revolution, no taxation, much beyond that paid by France, no dislocation of society, or deprivation of legal rights. A Conservative, in resisting all tendencies to social reform, resists at present what to him appears illimitable, but unknown, change. Let this book show how little he need really fear.

128. THE ABOLITION OF HOPELESS POVERTY IS EASY :—

"Who will begin the long steep journey with us ; who of living statesmen will snatch the standard, and say, like a hero on the forlorn hope for his country, Forward ! or is there ~~none~~ ; no ~~one~~ that can and dare ?" ■

* T. Carlyle.

THE FIRST SOCIAL REFORM BUDGET.

" (The financial effects of our proposals in the first year of their operation will be seen in our draft of a first Social Reform Budget, which is in two parts—Part I—General Budget, and Part II—Budget of National Investment and Relief. The total amount of the contributions from taxation, for National Investment and Relief, would be paid over in full to the National Investment Department, which would, to prevent the income from its investments being included ■ annual revenue in the General Budget, prepare ■ separate Budget of its own.)

THE FIRST SOCIAL

RECEIPTS.

TAXATION.	AS PRESENT SYSTEM.		ADDITIONAL.		PROPOSED.		
	Source of information.	Amount.	Amount.	Explained in Para.	For Ordinary Expenses.	Reserved for National Investment, Insurance and Relief.	TOTAL.
Direct Taxes—							
INCOME TAX ...	{ Financial reform Almanack for 1880. ...	£ 8,865,491	£ 21,835,692	16	£ 30,701,183	...	£ 30,701,183
INHABITED HOUSE DUTY ...		1,605,140	...	...	1,605,140	...	1,605,140
IMPERIAL POOR RATE (in place of local rates) ...	(Cost of relief from Poor Rates in 1878) Financial Reform Almanack for 1880. ...	9,680,008	...	...	...	9,680,008	9,680,008
Total Direct Taxes	...	20,150,639	21,835,692	...	32,306,323	9,680,008	41,986,331
Indirect Taxes—							
CUSTOMS ... { Spirits ...	{ Financial Reform Almanack for 1880. ...	5,336,058	...	...	...	5,336,058	5,336,058
Other articles ...		15,012,006	...	...	15,012,006	...	15,012,006
EXCISE ... { Spirits ...		14,855,007	...	...	...	14,855,007	14,855,007
Licenses ...		3,647,871	...	...	3,647,871	...	3,647,871
Other articles ...		8,683,143	...	...	8,683,143	...	8,683,143
STAMPS (excluding Inheritance Taxes).		4,710,362	...	...	4,710,362	...	4,710,362
Total Indirect Taxes	...	52,244,447	...	...	28,405,511	23,838,936	52,244,447
Inheritance Taxes	Financial Reform Almanack for 1880. ...	5,911,158	12,871,501	36	...	18,782,659	18,782,659
Total Taxation	...	78,306,244	34,707,193	...	60,711,834	52,301,603	113,013,437
REVENUE NOT RAISED BY TAXATION.							
From National Undertakings—							
POST OFFICE ...	{ Financial Reform Almanack for 1880. ...	6,725,323	...	...	6,725,323	...	6,725,323
TELEGRAPH ...		1,348,171	...	...	1,348,171	...	1,348,171
POST OFFICE SAVINGS BANK (PROFITS) ...		147,117	...	...	147,117	...	147,117
INTEREST ...		1,091,751	...	...	1,091,751	...	1,091,751
Total from National Undertakings	...	9,312,362	...	...	9,312,362	...	9,312,362
Revenue of the Nature of Rent							
LAND TAX ...	{ Financial Reform Almanack for 1880. ...	1,075,511	...	...	1,075,511	...	1,075,511
CROWN LANDS ...		401,048	...	...	...	401,048	401,048
SPECIAL TAX ON UNEARNED INCREASEMENTS OF GROUND RENT, &c., ...		...	1,597,825	37	1,597,825	...	1,597,825
ISSUES OF BANK OF ENGLAND ...	Financial Reform Almanack for 1880 ...	138,578	...	...	138,578	...	138,578
Total Revenue of the Nature of Rent	...	1,615,137	1,597,825	...	2,811,914	401,048	3,212,962
Receipts by sales or recoveries.							
PUBLIC DEBT ...	{ Financial Reform Almanack for 1880. ...	51,734	...	...	51,734	...	51,734
ARMY ...		1,789,324	...	...	1,789,324	...	1,789,324
NAVY ...		174,969	...	...	174,969	...	174,969
CIVIL GOVERNMENT ...		1,873	...	...	1,873	...	1,873
Total by Sales or Recoveries	...	2,017,900	...	...	2,017,900	...	2,017,900
Miscellaneous	...	1,445,209	...	...	1,445,209	...	1,445,209
Total Revenue not Raised by Taxation	...	14,90,608	1,597,825	...	15,587,385	401,048	15,988,433
TOTAL RECEIPTS.	Financial Reform Almanack for 1880, Pages 73 & 157	92,696,852	36,305,018	...	76,299,219	52,702,651	129,001,870

REFORM BUDGET.

EXPENDITURE.

ORDINARY EXPENSES.		AS UNDER PRESENT SYSTEM.				ADDITIONAL.	TOTAL.
		Source of information.	Page.	Amount previously required.	Deductions.	Amount still required.	
				£	£	£	£
Public Debt—		Financial Reform Almanack for 1880 ...	157	28,644,183	Annuities expiring in 1885. 4,714,381	23,929,802	23,929,802
War—							
ARMY	...	Army Estimates 1880-81 ...	...	16,641,300	...	16,641,300	16,641,300
NAVY	...	Navy Estimates 1880-81 ...	...	10,492,935	...	10,492,935	10,492,935
Total War		...	...	27,134,235	...	27,134,235	27,134,235
Civil Government—							
PUBLIC DEPARTMENTS	...	Civil Estimates 1880-81 ...	64	2,189,494	596,752	1,687,201	1,687,201
		Financial Reform Almanack for 1880 ...	158	94,459			
LAW AND JUSTICE	...	Civil Estimates 1880-81 ...	162	5,783,470	358,857	6,062,415	6,062,415
		Financial Reform Almanack for 1880 ...	158	637,802			
DIPLOMATIC, COLONIAL AND CONSULAR	...	Civil Estimates 1880-81 ...	366	571,092	154,978	571,092	571,092
PUBLIC WORKS AND BUILDINGS	...	1880-81 ...	2	1,362,139			
NON-EFFECTIVE SERVICES	...	401	1,225,083	587,869			
CIVIL LIST AND PENSIONS CHARGEABLE CONSOLIDATED FUND	...	Financial Reform Almanack for 1880 ...	158	720,773	...	720,773	720,773
		159	720,773	...			
		Financial Reform Almanack for 1880 ...	159	171,389			
MISCELLANEOUS	...	Civil Estimates 1880-81 ...	521	47,940	...	47,940	47,940
Total Civil Government		...	...	12,803,641	1,698,456	11,105,185	11,105,185
Education, Science and Art—		Civil Estimates 1880-81 ...	290	4,273,224	...	4,273,224	4,273,224
Collection of Taxes—		Civil Estimates 1880-81 ...	536	2,816,709	...	2,816,709	2,816,709
Expenses of National Undertakings.							
POST OFFICE	...	Civil Estimates 1880-81 ...	536	4,130,872	480	4,130,392	4,130,392
TELEGRAPHS	...	1880-81 ...	...	1,210,736	2,801	1,207,935	1,207,935
Total Expenses of National Undertakings		...	...	5,341,608	3,281	5,338,327	5,338,327
Total Ordinary Expenses.		...	...	81,013,600	6,416,118	74,597,482	74,597,482
NATIONAL INVESTMENT, INSURANCE AND RELIEF.							
AMOUNT OF TAXES RESERVED FOR THE PURPOSE (see corresponding entry under receipts.)		(Cost of relief from Poor Rates in 1878) Financial Reform Almanack for 1880 ...	73	9,680,008	...	9,680,008	52,702,651
FORMER ORDINARY GRANTS FOR THESE PURPOSES, CONTINUED. (see particulars next page.)		Civil Estimates 1880-81 ...	...	1,701,737	...	1,701,737	1,701,737
Total National Investment, Insurance and Relief, Transferred to Separate Budget of the Same.		...	...	11,381,745	...	11,381,745	54,404,388
TOTAL EXPENDITURE.		...	...	92,395,345	6,416,118	85,979,227	129,001,870

List of present Annual Payments from Imperial Taxation for purposes connected with National Investment, Insurance and Relief.

ITEM.	Source of information.	Amount of item.	Under what head.	Total under each head.
RATES ON GOVERNMENT PROPERTY—				
England £ 158,223	Civil Service	43		
Scotland 8,000	Estimates	43		
Ireland 27,500	for 1880-81.	43		
193,723				
Deduct $\frac{1}{5}$ for local purposes other than relief 38,745		154,978	Public Works and Buildings ...	154,978
RATES ON TELEGRAPH WIRES AND PREMISES—				
England 2,945	Ditto	627 and 628		
Scotland 6				
Ireland 550				
3,501				
Deduct $\frac{1}{5}$ as for local purposes other than relief 700		2,801	Telegraphs ...	2,801
4-5TH OF RATES ON POST OFFICE PREMISES—				
($\frac{1}{5}$ omitted as for local purposes other than relief) ...	Ditto	581	Post Office ...	480
POOR LAW UNIONS—				
Salaries of Teachers in Poor Law Schools ...	Ditto	112		
Moiety of salaries of Poor Law Medical Officers ...		112		
Poor Law Auditors' salaries, &c. ...		110		
Salaries of Teachers in Workhouses in Ireland ...		154		
Half salaries of Medical Officers, and half-cost of medicines, Ireland ...		154		
Poor Law Auditors, Ireland ...		154		
Proportion of Cost of Medical Relief, Scotland ...		145		
Inspection of Vagrant Wards ...		107		
Inspection of Workhouse Schools ...		107		
ADMINISTRATION—				
Charity Commission (excluding cost of endowed school branch) ...	Ditto	98		
Copyhold, Insurance and Tithe Commission ...		102		
Inclosure and Drainage Acts expenses ...		103		
Office of Woods, Forests, and Land Revenues ...		134		
Charitable Donations and Bequests Office, Ireland ...		152		
Valuation and Boundary Survey Office, Ireland ...		160		
Office of Works and Buildings, England, Ireland ...		136		
Public Works Loan Commission ...		155		
Patent Office ...		122		
Local Government Board Offices ...		118		
England 68,700		107		
Ireland 28,498		153		
Board of Supervision, Scotland 8,748		144		
1,05,946				
Deduct $\frac{1}{4}$ for local purposes other than relief ... 26,486		79,460	Public Departments.	596,752
REFORMATORY AND INDUSTRIAL SCHOOLS—				
Great Britain 220	Ditto	262,616		
Ireland 286		90,813		
199		5,428	Law and Justice ...	358,857
LAND REGISTRY OFFICE—				
PAUPER LUNATICS—				
England 511	Ditto	410,000		
Scotland 512		74,479		
Ireland 513		86,332	Non-effective service	587,869
HOSPITALS AND INFIRMARIES—				
Ireland 514	Ditto	17,058		
TOTAL Rs. ...				1,701,737

BUDGET OF NATIONAL INVESTMENT, INSURANCE AND RELIEF.

RECEIPTS

EXPENDITURE.

	£	£
From General Budget.		
DOOR RATE	9,680,008	
SPIRITS { CUSTOMS	5,336,058	
{ EXERCISE	14,855,007	
LICENSES	3,647,871	
INHERITANCE TAXES	18,782,659	
CROWN LAND	401,048	
FORMER ORDINARY GRANTS FOR CHIEF PURPOSES AND ADMINISTRATION ...	1,701,737	
		54,404,388
Revenue of Investments *		
{ LAND	180,000	
{ FORESTS	5,000	
{ FACTORIES	10,000	
{ BUILDINGS FOR RENT	5,000	
		200,000
Recoveries, including sales, if any. †.		
RECEIPTS TO { LAND	102,457	
CREDITS OF { FORESTS	825	
CAPITAL. { FACTORIES	1,700	
{ BUILDINGS FOR RENT... ..	2,625	
RECOVERIES { LAND	788	
OF WORKING { FORESTS	525	
EXPENSES OF { FACTORIES... ..	3,937	
INVESTMENTS. { BUILDINGS FOR RENT... ..	53	
INSURANCE	119,420	
RELIEF	39,991	
ADMINISTRATION	2,073	
		274,394
TOTAL		

* The amount for the first year would necessarily be small. It is here entered at less than 1 per cent. of the amount invested in the year. In the next year and all subsequent years it might be estimated at $3\frac{1}{2}$ per cent. on the accumulated capital of past years, *plus* 1 per cent. on the year's proposed investment. The last may be taken because investment would be constantly in progress and would often be immediately productive.

† Experience shows that there may always be some recoveries expected on such extensive transactions. They are here estimated at $\frac{1}{2}$ per cent.

	£	£
NATIONAL INVESTMENT.		
Capital Account. ,		
LAND	20,491,405	
FORESTS	165,000	
FACTORIES	340,000	
BUILDINGS FOR RENT	525,000	
Revenue Account (WORK- ING EXPENSES)		21,521,405
LAND	157,500	
FORESTS	105,000	
FACTORIES	787,500	
BUILDINGS FOR RENT	10,500	
		1,060,500
TOTAL NATIONAL INVESTMENT.	...	22,581,905
INSURANCE ... ..	...	23,884,029
RELIEF ... ..	...	7,998,261
ADMINISTRATION (OF NATIONAL INVESTMENT, INSURANCE AND RELIEF)	...	414,587
<i>(See Particulars appended.)</i>		

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PARTICULARS OF PROPOSED EXPENDITURE ON NATIONAL INVESTMENT.

CAPITAL ACCOUNT.					REVENUE ACCOUNT (WORKING EXPENSES.)				TOTAL.	
Purchase and improvement of LAND.	Formation of FORESTS.	Setting up FACTORIES with build-ings, machin-ery, plant, &c.	BUILDINGS FOR RENT (Dwellings for workmen, &c.)	Cultivation of LAND.	Maintenance and work-ing of FORESTS.	Maintenance and work-ing of FACTORIES.	Repairs of BUILDINGS FOR RENT.			
	£	£	£	£	£	£	£	£	£	
LABOR { Pay ... Provisions ... Clothing ... Shelter ... Renewals ...	14,00,000	23,450	7,000	105,000	35,000	24,500	122,500	2,450	1,719,900	Estimated at 35 per cent. of total cost of Labor. } " at 45 " of " of " } * " at 7½ " of " of " } " at 10 " of " of " } " at 2½ " of " of " }
	1,800,000	30,150	9,000	135,000	45,000	31,500	157,500	3,150	2,211,300	
	300,000	5,025	1,500	22,500	7,500	5,250	26,250	525	368,550	
	400,000	6,700	2,000	30,000	10,000	7,000	35,000	700	491,400	
	100,000	1,675	500	7,500	2,500	1,750	8,750	175	122,850	
TOTAL LABOR ...	4,000,000	67,000	20,000	300,000	100,000	70,000	350,000	7,000	4,914,000	This will do much more than extinguish able-bodied pauperism. It will also improve the proportion between supply and demand of labor.
SUPERVISION (Managers, foremen, instructors, gangers, officers and non-commissioned officers of Industrial Regiments, &c.) ...	1,250,000	33,000	40,000	100,000	35,000	20,000	150,000	2,000	1,630,000	* Single men would receive provisions, clothing, and shelter, and pay at 35 per cent. of their estimated wages. Married men would usually receive their estimated wages in full, and would themselves provide provisions, clothing and shelter for themselves and their families, as done by workmen in private employ. Both classes would be conveyed free to the locality in which required, as would also the families of the married men, but married men and their families would not be removed if useful work could otherwise be found for them, or sent to places in which they could not easily find shelter.
PURCHASES of land, buildings, machinery, plant, tools and raw materials ...	15,150,000	50,000	200,000	100,000	15,000	10,000	250,000	1,000	15,776,000	Expensive skilled supervision is necessary to secure a profitable result.
PURCHASE OF PATENT RIGHTS.	...	...	60,000	.....	.....	.....	.....	.....	60,000	Irish bogs, Scotch moors, and English and Welsh wastes can be commenced on at short notice.
CONTINGENT EXPENSES.	91,405	15,000	20,000	25,000	7,500	5,000	37,500	500	201,905	A few patents to commence with.
Total National Investment	20,491,405	165,000	340,000	525,000	157,500	105,000	787,500	10,500	22,581,905	Contingencies are unavoidable in business operations, and must be provided for.

PARTICULARS OF EXPENDITURE ON INSURANCE, RELIEF AND ADMINISTRATION.

INSURANCE.	AS UNDER PRESENT SYSTEM.				ADDITIONAL, OR IN A NEW FORM.			TOTAL.		
	Source of information.	Page.	AMOUNT.		AMOUNT.	EXPLAINED IN				
			Not continued in the same form.	Continued in the same form and included in this estimate.		Chapter.	Para.			
IONS TO PERSONS OVER 65 YEARS OF AGE.				£	£	I	16	£		
06,200 at 6s. week each	.....				23,884,029			23,884,029	Total Insurance.
RELIEF.										
sick. penditure in Ireland in 1878	Local Government Board (Ireland) 7th Report.	13	...	137,951	.....	IV	49	965,657	This will admit of the more liberal system prevailing in Ireland being at once made general.
6 times as much for relief in Great Britain the same principles	.....	...	...	...	827,706	...	...	
phans and deserted children. 100 children, in Schools of industry, at £12 each child	.....	...	...	...	720,000	V	77	720,000	These estimates are made after a careful consideration of the reports of the present Boards.
ldren, under 13, of the sick and disabled. section of Workhouse Schools	Civil estimates 1880-81.	107	...	3,405	.....	...	...	848,155	
phers in Poor Law schools { England	Ditto {	112	...	35,200	.....	...	...
{ Ireland		154	...	9,550	.....	...	...
aintenance and instruction of 100,000 children at £8 each	.....	...	...	...	800,000	V	76		
uper lunatics. 100 at £20 each	.....	...	...	...	1,500,000	V	76	1,500,000	
abled persons under 65 years old. 1,000 at £12½ each	.....	...	...	...	1,562,500	V	76	1,562,500	
nutory and Industrial Schools	Civil estimates 1880-81.	220 & 286	...	353,429	.....	...	...	353,429	Present cost continued.
es, rations and superannuation relief officers,	...England	8th Report	Local Government Boards.	184	...	997,308	V	104	1,400,000	Not being employed in the central offices, these officers are estimated for under Relief, not under Administration.
	Ireland	7th Report		18	...	132,470				
	Scotland	33rd Report of Board of Supervision.		13	...	118,725				
ion of Vagrant Wards	Civil estimates 1880-81	107	...	483	.....	...	...	483	

<i>Law Auditors.</i>									
ries, &c. ...	Civil estimates 1880-81.	10	£	41,287	...	...	£	47,587	
Do. Ireland ...		54	£	6,300	...	...	
ngs.									
airs and additions to Workhouses, &c. ...							400,000	400,000	These are necessities which must be provided for.
aneous contingent expenses of Relief ...							200,450	200,450	
t charges not here estimated for in the same ...									Much of this will now take the form of the insurance shown above.
rm, though otherwise generally continued ...			9,256,382						
								7,998,261	Total Relief.

ADMINISTRATION.

ecretary of State	5,000	V	101	5,000	These are expensive, but necessary. Good results can only be expected if the highest ability is employed and highly paid.
Controlling office equal to the present Home Office ...	Civil estimates 1880-81.	78 to 80	...	26,160	V	101	26,160	
Account office equal to the present Paymaster General's Office ...	Ditto	121	...	25,655	V	101	25,655	
Audit Office equal to that of the present Comptroller and Auditor General ...	Ditto	104	...	59,517	V	101	59,517	
Scientific officers as Directors of Land Improvement, Forests and Manufacture, at £5,000 each	9,000	V	106 & 107	9,000	
Office of Woods, Forests and Land Revenues ...	Civil estimates 1880-81.	134	...	23,400	V	102 & 103	76,713	Might form one combined office.
Copyhold, Inclosure and Tithe Commission ...	Ditto	102	...	16,968	V	103		
Inclosure and Drainage Acts expenses ...	Ditto	103	...	8,290		...		
Valuation and Boundary Survey Office, Ireland ...	Ditto	160	...	22,627	V	103		
Land Registry Office, Ireland ...	Ditto	199	...	5,428	V	103	109,067	Might form one combined office.
Patent Office ...	Ditto	118	...	27,195	V	103		
Office of Works and Buildings (England ...)	Ditto	136	...	40,918	V	103		
ings (Ireland ...)	Ditto	155	...	30,659	V	103		
Public Works Loan Commission ...	Ditto	122	...	10,295	V	103	103,475	Might form one combined office.
of Local Government Board Offices ...	Ditto	...	...	79,460	V	103
urity Commission Office ...	Ditto	98	...	21,926	V	103		
arkable Donations and Begs Office, Ireland,	Ditto	152	...	2,089	V	103		
							414,587	Total Administration.

9,256,382 2,125,363

9,256,382
2,125,363

11,381,745 equal to

Poor rates ... 9,680,008
Former grants transferred from General Budget ... 1,701,737
£11,381,745